

Friday, March 13 2009

Local Government Committee
Montana State Legislature 2009 Session

I'd like to talk with you today in regards to my perception of the state of the real estate market in my area. You have all heard the commercial say, "real estate is local". In fact, it is so local that we see different trends happening in different areas just within Gallatin County. So I remind and urge you to not broad stroke any testimony or news you hear, across the whole state.

The good news in regards to affordable housing in my market is that inventory and selection are up and prices are down. We have more affordable housing in the immediate Bozeman and Belgrade areas now than we have had in the last 6 years since I have been in the business. With that said, one problem we face is that wages are down; the economy is sluggish, new jobs are paying less today than yesterday, and those are becoming fewer and further between. Many people are taking cuts in pay just to keep their jobs, getting their hours reduced or are *worried* they will lose their jobs. This equates to weaker buying power.

Now don't get me wrong, I am not an advocate for loosened lending requirements, we tried that, and it failed miserably. Home ownership is a PRIVILEGE, NOT A RIGHT. In order to change this trend, whether perception or reality, we need to insure that Montana becomes a more business friendly state. We need to encourage business growth and development and encourage new businesses to move into or open up in our state providing good, solid jobs that will turn the trend of lower wages. We need to quit taking advantage of business, small or large, and quit viewing them as an endless source of tax funds. As long as we continue to tax the investment capital we will continue to hinder Montana's economic growth. As elected officials, I want to stress to you the relationship between our housing market and Montana's business community.

When we strengthen the job market, we will keep the population currently employed confident, and we will attract more employees to the state. This will bring growth. Although to some growth is an ugly word, it *is* necessary to keep our schools running, employment steady, tax revenues filling the state coffers and the housing market stable.

A flourishing business environment will ultimately provide opportunities for people to achieve the American dream of home ownership, opportunities to enter the housing market, to upsize or to downsize. In short, they will have **choice**.

Inventory is up, prices are trending down, days on the market is up and interest rates are down, money is available to **qualified** buyers and there are great incentives for first time home buyers from our federal government. We are seeing a great opportunity in the market we just need to instill confidence in the Montana home buyer again. Give them confidence in the job market and they will have the confidence to take advantage of all these opportunities. They will have the opportunity to achieve the American dream of home ownership.

Thank you for your time regarding the Montanan's Dream of Home Ownership.

Chantelle Mahan, Broker
Prudential Montana Real Estate
Bozeman, MT